

House Study Bill 238 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to Iowa's urban renewal law by establishing
2 restrictions on the issuance of certain bonds and other
3 indebtedness and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.9, subsection 2, Code 2013, is
2 amended to read as follows:

3 2. a. ~~Bonds issued under this section shall not constitute~~
4 ~~an indebtedness within the meaning of any constitutional or~~
5 ~~statutory debt limitation or restriction, and shall not be~~
6 ~~subject to the provisions of any other law or charter relating~~
7 ~~to the authorization, issuance or sale of bonds.~~ Bonds issued
8 under the provisions of this chapter are declared to be issued
9 for an essential public and governmental purpose and, together
10 with interest thereon and income therefrom, shall be exempted
11 from all taxes.

12 b. A municipality shall not issue bonds or incur other
13 indebtedness under this chapter or under another provision
14 of law that qualifies for payment as described in subsection
15 1, except for refunding or refinancing of bonds or other
16 indebtedness that does not result in an increase in the
17 municipality's total outstanding indebtedness payable as
18 described in subsection 1, if the municipality's outstanding
19 indebtedness payable as described in subsection 1 exceeds an
20 amount equal to the population of the municipality's area of
21 operation, according to the most recent federal decennial
22 census, times eight thousand dollars.

23 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
24 immediate importance, takes effect upon enactment.

25 EXPLANATION

26 This bill relates to Iowa's urban renewal law.

27 The bill strikes provisions of Code section 403.9 relating
28 to whether the bonds issued under that Code section constitute
29 indebtedness for purposes of constitutional and statutory
30 debt limitations. The bill also provides that a municipality
31 shall not issue bonds or incur other indebtedness under Code
32 chapter 403 or under another provision of law that qualifies
33 for payment from a division of revenue, except for refunding or
34 refinancing of bonds or other indebtedness that does not result
35 in an increase in the municipality's total outstanding urban

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1 renewal indebtedness, if the municipality's outstanding urban
2 renewal indebtedness exceeds an amount equal to the population
3 of the municipality's area of operation, according to the most
4 recent federal decennial census, times \$8,000.

5 The bill takes effect upon enactment.